DOCKET FILE COPY ORIGINAL

RECEIVED

JAN - 7 2003

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
Federal Communications Commission
Washington, D.C.

In the matter of

2002 Biennial Regulatory Rcvicu Rcview of the Commission's Broadcast Ownership Rules	) MB Docket No.02-277
Cross-Ownership of Broadcast Stations and Newspapers	) MM Docket No.01-235
Rules and Policies Concerning Multiple Ownership of Radio Broadcast Stations in Local Markets	) MMDocketNo.01-317
Definition of Radio Markcts	) MM Docket No.00-244

To: The Secretary
Federal Communications Commission

ERRATUM

By the Coalition for Program Diversity

This Erratum substitutes the attached modified page 8 for page 8 of the Coalition for Program Diversity's Comments tiled in the above-captioned proceeding on January 2nd, 2003

Should you have any questions, please contact the undersigned

Respectfully submitted,
COALITION FOR PROGRAM DIVERSITY

Michael R. Gardner

Michael R. Gardner
The Law Offices of Michael R. Gardner, P.C.
Telephone: (202) 785-2828

Kenneth Ziffren
Ziffren, Brittenham, Branca, Fischer, Gilbert-Lurie & Stiffelman LLP

No. of Copies rec'd 0+4
List ABCDE

January 6,2003

motion picture/television studios essentially gave up and either merged or went out ofhusiness. In this challenging cnvironment, even an cntity as strong and well financed as Columbia/Tri Star (now Sony Pictures Television) had to revamp its business strategy for developing prime time television programs by looking at the business of prime time programming in a much more financially disciplined approach.

B. <u>The Need For a 25% Indepcndcnt Producer Rule</u>

At the same tinie as the grabs by the networks for longer Term and increased ownership, the networks put the brakes on funding the ever more expensive production costs of series. Where historically, through negotiation between relative equals during much of the 1970s and into the 1980s, the networks supplied greater than 70% of production costs, in the 21st century, networks are unwillingto fund over 60%, thereby creating deficits of as much as $500,000 per episode for sitcoms and up to and ovcr $1 million an episode for an hour drama or action adventure show. Most independent production companies, particularly those with limited access to outside equity funding, could not keep pace, faced with increased deficits on the "front end" and with diminishing abilities to garner deficit recoupment from international sources, let alone domestic post-network exploitation.

To foster new investment in the prime time nctwork business, it is essential to assist those who might wish to risk capital to have access to the network's airwaves, without being coerced through the newly developed post-FinSyn tactics.' Thus, after a short transition period, a major network (i.e., an over-the-air network with 95% or more NTI and with greater than a 4.0 Household Rating) would be required to order at least 25% of its prime time programming from an "Independent Producer(s)." This rule would add important and serious "voices" which presently are in danger of extinction bccatise they do not own a major nctwork. The Independent Producer could

[12] See *infra* at I5 for a brief discussion of FinSyn.